
HOUSE BILL 2052

State of Washington

58th Legislature

2003 Regular Session

By Representatives Conway and Wood

Read first time 02/21/2003. Referred to Committee on Commerce & Labor.

1 AN ACT Relating to improving stability in industrial insurance
2 rates; and amending RCW 51.16.035.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 **Sec. 1.** RCW 51.16.035 and 1999 c 7 s 8 are each amended to read as
5 follows:

6 (1)(a) The department shall classify all occupations or industries
7 in accordance with their degree of hazard and fix therefor basic rates
8 of premium which shall be:

9 (i) The lowest necessary to maintain actuarial solvency of the
10 accident and medical aid funds in accordance with recognized insurance
11 principles; and

12 (ii) Designed to attempt to limit fluctuations in premiums.

13 (b) The department shall, in consultation with the workers'
14 compensation advisory committee, adopt rules regarding the level of the
15 contingency reserve needed to maintain actuarial solvency of the
16 accident and medical aid funds. The policy must include a process by
17 which the department may, no sooner than thirty days after reporting
18 the proposed action to the appropriate committees of the legislature,
19 pay premium dividends if the level of the contingency reserve exceeds

1 the amount required under the rules. This subsection does not
2 authorize the department to fix rates at a level below the actuarially
3 indicated rates.

4 (c) The department shall formulate and adopt rules (~~and~~
5 ~~regulations~~) governing the method of premium calculation and
6 collection and providing for a rating system consistent with recognized
7 principles of workers' compensation insurance which shall be designed
8 to stimulate and encourage accident prevention and to facilitate
9 collection. The department may annually, or at such other times as it
10 deems necessary to (~~maintain solvency of the funds~~) achieve the
11 objectives under (a) of this subsection, readjust rates in accordance
12 with the rating system to become effective on such dates as the
13 department may designate.

14 (2) In providing a retrospective rating plan under RCW 51.18.010,
15 the department may consider each individual retrospective rating group
16 as a single employing entity for purposes of dividends or premium
17 discounts.

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